

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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DOE/OFE/MGR

DISTRIGAS LLC

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DOCKET NO. 06-99-LNG

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT LIQUEFIED NATURAL GAS
FROM VARIOUS INTERNATIONAL SOURCES

DOE/FE ORDER NO. 2294

NOVEMBER 22, 2006

I. DESCRIPTION OF REQUEST

On October 5, 2006, Distrigas LLC (Distrigas) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA),^{1/} for blanket authorization to import liquefied natural gas (LNG), in a total amount up to the equivalent of 100 billion cubic feet of natural gas, from various international sources. The applicant requests authorization for a two-year term beginning on November 5, 2006. Distrigas is a Delaware corporation with its principal place of business in Houston, Texas.

II. FINDING

The application has been evaluated to determine if the proposed import arrangement meets the public interest requirement of section 3 of the NGA, as amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486). Under section 3(c), the import and export of natural gas from and to a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas and the import of LNG are deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by Distrigas to import LNG from various international sources meets the section 3(c) criterion and, therefore, is consistent with the public interest. This Order authorizes transactions with terms of no longer than two years.

^{1/} 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redelegation Order No. 00-002.04B (September 23, 2005).

ORDER

Pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. Distrigas LLC (Distrigas) is authorized to import liquefied natural gas (LNG), in a total amount up to the equivalent of 100 billion cubic feet of natural gas, from various international sources pursuant to transactions that have terms of no longer than two years. The authorization shall be effective for a two-year term beginning December 8, 2006, and extending through December 7, 2008.

B. This LNG may be imported at any LNG receiving facility in the United States and its territories.

C. **Monthly Reports:** With respect to the LNG imports authorized by this Order, Marathon shall file with the Office of Natural Gas Regulatory Activities, within 30 days following the last day of each calendar month, a report indicating whether imports of LNG have been made. Monthly reports must be filed whether or not initial deliveries have begun. If LNG imports have not been made, a report of "no activity" for that month must be filed. If imports of LNG have occurred, the report must give the details of each LNG cargo: (1) the date of arrival at the U.S. receiving terminal; (2) the country of origin; (3) the name of the supplier/seller; (4) the name of the U.S. receiving terminal; (5) the name of the LNG tanker; (6) the volume in thousand cubic feet (Mcf) and million British thermal units (MMBtu); (7) the landed price per MMBtu at the point of import; (8) the duration of the supply agreement (indicate spot purchases); (9) the name(s) of the purchaser(s); and (10) the geographic market served (list States). [OMB NO.: 1901-0294]

D. The first monthly report required by this Order is due not later than January 30, 2007, and should cover the reporting period from December 8, 2006 through December 31, 2006.

E. **Quarterly Reports:** With respect to the LNG imports authorized by this Order, Marathon shall file with the Office of Natural Gas Regulatory Activities, within 30 days following each calendar quarter, reports indicating whether imports of LNG have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If LNG imports have not been made, a report of "no activity" for that calendar quarter must be filed. If imports of LNG have occurred, the report must give the details of each LNG cargo: (1) the date of arrival at the U.S. receiving terminal; (2) the country of origin; (3) the name of the supplier/seller; (4) the name of the U.S. receiving terminal; (5) the name of the LNG tanker; (6) the volume in Mcf and MMBtu; (7) the landed price per MMBtu at the point of import; (8) the duration of the supply agreement (indicate spot purchases); (9) the name(s) of the purchaser(s); (10) the geographic market served (list States). [OMB NO.: 1901-0294]

F. The first quarterly report required by this Order is due not later than January 30, 2006, and should cover the period from December 8, 2006, until the end of the fourth calendar quarter, December 31, 2006.

G. The reports required by this Order shall be filed with the U.S. Department of Energy,
Office of Natural Gas Regulatory Activities, FE-34, P.O. Box 44375, Washington, D.C.

20026-4375.

Issued in Washington, D.C., on November 22, 2006.



R. F. Corbin

Manager, Natural Gas Regulatory Activities
Office of Oil and Gas Global Security and Supply
Office of Fossil Energy